

Promoting Local Economic Development on South Africa's Wild Coast



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[Photo: The CIETafrica school calendar provides an up-to-date local economic database of the entire Wild Coast region.]

Students in the Wild Coast region of South Africa are marking the days of the new millennium with a colourful calendar that shows not only the key school dates and national holidays, but also maps all of the small and micro-enterprises throughout this impoverished region.

Produced by CIETafrica, a member of the international CIET network of non-governmental organizations, the calendar provides "an up-to-date local economic database on the Wild Coast region," says [Neil Andersson](#), the Executive Director of [CIETinternational](#). "It gives the physical location, the number of employees, the male-female ownership, and the amount of product that comes from each enterprise," he says.

Career opportunities

The calendars, which aim to expose Wild Coast youth to self-employment career opportunities, are one of the outcomes of a three-year action research project funded by the International Development Research Centre (IDRC). Launched in 1997, in partnership with the Eastern Cape Socio-Economic Consultative Council, its goal is to provide micro-enterprise-related research, information management, and communications support for the Wild Coast [Spatial Development Initiative](#) (SDI) — one of nine such initiatives created by the South African government as a way to 'kick start' local economic development through small and micro enterprises.

"One of the things the South African government was concerned with when it came to power were the areas that had been economically deprived as a deliberate strategy under apartheid" — such as the Wild Coast and other Bantustans, says [Nigel Motts](#), Senior Program Specialist at IDRC. Located in the Eastern Cape Province, the Wild Coast is a relatively undeveloped coastal strip with a wealth of untapped ecotourism and agribusiness potential.

Baseline survey

Using a methodology called Sentinel Community Surveillance, CIETafrica staff launched a micro-enterprise baseline survey in 1997 that involved almost 2,500 households, representing more than 14,000 residents. Completed in 1998, the survey measured employment, empowerment, incomes, and access to services within the Wild Coast SDI area.

The core feature of the Wild Coast SDI was initially to attract external investment into the SDI to 'kick start' economic development processes. According to Motts, a lack of data about existing local economic activity meant that local enterprise was 'invisible' to planners and thus tended to be overlooked in SDI agenda-setting processes. The results of this baseline have played a key role in drawing attention to and legitimizing the role of local enterprises as an important driver of local economic development and employment creation in the Wild Coast, he says.

Key results

The survey showed that only one in four adults is employed and one in two is looking for work. Moreover, the study reports that the local population lacks an entrepreneurial culture, and petty corruption is a major obstacle to economic growth.

Within the population, "there was no business acumen, no sense of even what a business is, no sense of employment related to production," according to Dr Andersson. "The area had been a labour reserve for so long that people had not only been deskilled in terms of their agricultural roots but had also been delinked from the idea of pursuing self-employment, if there were no jobs available."

Petty corruption

CIET's baseline study also highlighted the stifling effects of petty corruption on the emergence of micro-enterprises in the area. "Basically, in real crude terms, as micro-enterprises get off the ground and begin to have some cash reserves, they attract the unwanted attention of corrupt public administration officials. Suddenly, they are getting charged for things they've never been charged for before, like vaccinations, being in school, getting a driver's license, or collecting their pay cheque," says Dr Andersson.

Since 1998, the Eastern Cape government has started to address the issues identified by the baseline survey. In particular, "they have created a very strong anti-corruption strategy," notes Motts. Meanwhile, CIETafrica conducted a second 'cycle' of research in 1999, which focussed more on exploring the reasons for the absent small business culture and trying to foster a more entrepreneurial population.

Changing attitudes

"We identified schools as the promising venue for changing the cultural attitudes of Wild Coast residents, because of the enormously high coverage of schools — around 95% of 14-16 year old youths are in school," reports Dr Andersson. "Wild Coast communities are very spread out. It seems that each family lives far from its neighbours. If you're going to build a culture of small business, using the schools is the way to do it."

During the survey — involving each of the Wild Coast's 21 secondary schools — the CIET team expressed an interest in mapping the region's small businesses, and the participants took up the challenge. Students in their final year of school mapped all of the known small businesses and

employment opportunities in their area, ranging from convenience stores and taverns to garages, bike repair shops, and market stalls. This exercise helped open a dialogue on various issues, which are reflected in the Year 2000 Calendar. Each month is accompanied by a different map with questions to get students thinking, such as: *'Do there appear to be more male or female owned businesses?', 'Why are there areas with very few production businesses?', and 'If you were to start a business in this area, what kind would you start?'*

Next steps

Later this year, the project team will launch a third cycle of research to determine what, if any, economic changes have occurred since 1997. It will examine employment levels and salaries, type of employment, access to basic services, and female empowerment. It will examine 'system leakage' again — how much people are paying for things that they should be getting for free. The study will also go back into the schools and remap the area to identify the emergence of new businesses and relate that to changing household conditions.

In February, the results and implications of CIETAfrica's research for provincial economic development were presented to the legislative assembly of Eastern Cape. The Minister of Education has requested the project team to develop a proposal for evidence-based curriculum reform to help the education system improve the linkages between education and local economic development and micro-enterprise creation. This is an unexpected but exciting side effect of the original project objectives.

John Eberlee is the Managing Editor of IDRC Reports Online. (Photo: courtesy of CIETinternational)

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If you have any comments about this article, please contact info@idrc.ca.

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